

<b>THIS AMENDMENT:</b>		
_____ Passed _____	Passed as amended by _____	
_____ Failed _____	_____ Not Offered _____	_____ Withdrawn _____

## MUNDELL PROPOSED AMENDMENT 2

TIME/DATE PREPARED: March 18, 2005

COMPANY: Arizona Public Service Company

AGENDA ITEM NO. U-1

DOCKET NO. E-01345A-03-0437

OPEN MEETING DATE: March 24 and 28, 2005

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Page 23, line 3 after “procurement process.” INSERT new paragraphs

These workshops on the development of needed infrastructure shall include consideration of the feasibility and implementation of an expanded use of utility-scale solar electric generation integrated with existing coal fired operations. APS’ aging coal fired plants face an increasingly emissions regulated future which may require sizeable investments to improve emissions control performance.

By integrating solar generation with the existing generation and transmission infrastructure at coal fired facilities, it may be possible to create synergies that take advantage of existing site infrastructure to lower the cost of building and operating solar electric generation, while reducing the environmental impact of coal fired generation. Generation from a solar electric project will add fuel-free, net-plant energy output resulting in environmental benefits and lower energy specific water usage. A long-term benefit of such a strategy would be that after all life extension measures are exhausted for the fueled power complexes, there will be many decades of useful life remaining in the transmission assets serving these sites. These valuable assets could be utilized by emission and water free solar generation built incrementally over the next decades in the expansive buffer zone property around many of the existing coal plants.